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## **USSR** Report

CONSUMER GOODS AND DOMESTIC TRADE

No. 74



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# USSR REPORT CONSUMER GOODS AND DOMESTIC TRADE

No. 74

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#### CONSUMER GOODS PRODUCTION AND DISTRIBUTION

#### RSFSR SUPREME SOVIET APPROVES DRAFT HOUSING CODE

#### Draft Housing Code

LD221812 Moscow Domestic Service in Russian 1200 GMT 22 Jun 83

[Text] The draft housing code of the Russian Federation was examined today at meetings of the standing commissions of the RSFSR Supreme Soviet. It was noted that its adoption will further strengthen the protection of citizens' housing rights and the guarantee of a thrifty and economic attitude to housing supplies. The RSFSR draft housing code was basically approved.

The consumer goods and trade commission discussed tasks for expanding production and raising the quality of consumer goods and improving trade in them. The transport and communications commission examined the matter of using railway wagons, river ships and road vehicles in enterprises and organizations under the jurisdiction of the ministires for procurement and fruit and vegetable farming.

#### Draft Housing Code Discussed

LD241511 Moscow Domestic Service in Russian 1300 GMT 24 Jun 83

[Text] Our correspondents report from the Great Kremlin Palace:

Comrade Ponomarev, chairman of the Housing and Municipal Services and Improvements Commission of the RSFSR Supreme Soviet, delivered a report on the draft housing code for the RSFSR at the evening meeting of the session of the highest organ of state power in the republic.

We shall acquaint listeners with some facts and figures from this report.

Housing, cultural and community construction has been carried out on a large scale in our country. In the last three 5-year plan periods alone over 160 million Soviet people improved their housing conditions. A vast program of housing construction is being implemented in the Russian Federation during the current 5-year plan period. There are plans to build 300 million square meters of housing in the republic and to accelerate the social reconstruction of the countryside.

The principles of the housing legislation of the USSR and of the union republics define the content of the most general important provision of legislation in

this area. The development and realization of these provisions are the tasks of the housing codes of the union republics.

The RSFSR draft housing code was discussed beforehand in the autonomous republics, krays and oblasts of the Russian Federation. The draft, which was elaborated to take into account the remarks and proposals of RSFSR Supreme Soviet deputies, is put forward for the examination of the session.

Under the established procedure, the draft code reinforces the right of citizens to receive accommodation for life in houses belonging to the state and public housing stock and also in houses belonging to housing and construction cooperatives.

The procedure for providing citizens with living accommodation and its use is defined. There is a list of grounds for recognizing citizens who need improvement in their living conditions and for registering them for consideration in this connection.

As a rule it is envisaged that housing is provided in the form of individual apartments for each family.

Speaking at the June Plenum of the CPSU Central Committee, Comrade Andropov stressed the need for guaranteeing that the distribution of apartments, like other benefits, should be fair and should particularly take into consideration how a person works. This provision was reflected in the draft housing code of the RSFSR. Places in the order of succession [ocherednost] are determined according to an absolutely objective basis stemming from the time citizens are taken into consideration and their inclusion on the list for acquiring living accommodation.

At the same time individual categories of citizens are singled out and granted the right to receive housing first. The registration of people needing an improvement in their living conditions, the establishment of places in the order of succession, and the distribution of housing space are implemented with due consideration for the recommendations of the labor collective under public supervision and with due publicity [soblyudeniye glasnosti].

The most important provision of the draft code is the establishment of the norm for housing space at 12 square meters per person, reflecting the great achievements of the republic in the area of social development. However, there is a proposal to grant to the RSFSR Council of Ministers the right to establish, within the limits of this standard, a procedure for determining the dimensions of living space granted to citizens.

Solving the housing problem is closely connected with successful progress in housing construction. However, one cannot say that this is satisfactory in all places. There is a need to guarantee the unconditional fulfillment of plans for construction work and to achieve an improvement in its quality.

The speaker went on to dwell on provisions in the draft code connected with questions of guaranteeing the housing stock, its use and repair.

The draft especially emphasizes that citizens must have a careful attitude to the housing with which they have been provided and use water, gas, electricity and thermal energy economically.

We have acquainted listeners with facts and figures from the report on the draft housing code of the Russian Federation. Discussion of the draft bill has now started at the session.

CSO: 1827/266

#### CONSUMER GOODS PRODUCTION AND DISTRIBUTION

#### STIMULATING PRODUCTION OF CONSUMER GOODS IN HEAVY INDUSTRY

Moscow FINANSY SSSR in Russian No 5, May 83 pp 11-15

[Article by V. Ye. Orlov, chief of the Administration for Financing Heavy Industry of USSR Ministry of Finance, and L. I. Bugayets, candidate of economic sciences: "Stimulating Larger Production and Better Quality of Consumer Goods in the Branches of Heavy Industry"]

[Text] In the framework of the program envisaged by the Basic Directions ... for expanding the output of consumer goods a large role is being given to the branches of heavy industry, which produce more than half of all the nonfood consumer goods. A growth rate of their production higher than that of the principal product has been planned for the 1981-1985 period. In the chemical and petrochemical branches a growth of 30-33 percent is planned for the principal product, but a 1.7-fold growth of synthetic resins and plastics necessary for manufacturing consumer goods. While the volume of output at plants of the building materials industry will increase 17-19 percent, the manufacturing of consumer goods will increase 1.3-1.4-fold.

Per capita furniture output is increasing more than 1.2-fold, and at the same time 20-25 percent of the assortment is being renewed every year. In connection with the development of market gardening partnerships the manufacture of garden greenhouses is to increase 1.6-1.8-fold over the previous 5-year period, and their layout is to improve. Work collectives of RSFSR alone have planned in socialist obligations for 1983 to increase the production and expand the assortment of consumer goods and to exceed the plan for their production by more than 800 million rubles, including a 20-million-ruble surplus for furniture.

An entire set of measures has been outlined to increase the volume of production of consumer goods. Measures are being taken to improve the technical, esthetic and economic indicators of products being manufactured and being put into production for the first time and also to withdraw from production products which are not in demand. Supplemental measures have been envisaged to strengthen the economic motivation of the enterprises of heavy industry to make maximum use of production capacities for a further growth of these goods.

The work force of enterprises are to be awarded more bonuses than previously for increasing the output of durable consumer goods and housewares as well as

products manufactured from production scrap and waste. Targets have been assigned for expansion, retooling and reconstruction of existing enterprises and construction of new ones manufacturing consumer goods. Capital investments for these purposes are being substantially increased in the 11th Five-Year Plan. The production of durable consumer goods and housewares in the country as a whole will increase 1.4-fold in the years covered by the 5-year plan: from 43.5 billion rubles to 61 billion rubles.

The growth of production of consumer goods in a number of ministries of the fuel and power and raw materials complex is shown in the table.

(report) Millions	1983 (plan) of Rubles	Growth Rate, %
5,292.6	6.480.0	122.4
	•	132.2
		113.3
		116.2
	(report)	(report) (plan) Millions of Rubles 5,292.6 6,480.0 1,096.5 1,450.0 882.7 1,000.0

The plan for 1983 calls for substantially increasing the output of consumer goods over 1980 in USSR Minstroymaterialov (1.3-fold) and USSR Minlesbumprom (1.2-fold). But in spite of the sizable growth rates, the relative share of these goods in the total volume of production at enterprises of this complex has remained low for a number of years and does not exceed 5 percent. The reason for this is that the ministries are not taking full advantage of the opportunities for increasing the production of goods to meet the growing needs of the population.

They do not always fulfill the targets assigned them. For example, in the 10th Five-Year Plan capacities for production of 57.8 million rubles of quality dishware were to be put into service through construction of new enterprises and reconstruction of existing ones in the system of USSR Minstroymaterialov. In actuality the capacity activated was for only 38.2 million rubles, which is 34 percent less than planned. USSR Minchermet was assigned a target to substantially increase the output of enameled cookware in sets. But the plan for its production in 1981 was fulfilled at a level of 82 percent, and as a result there was a shortfall of 240,600 sets; nor was the plan fulfilled in 1982, and the relative share of decorated cookware dropped from 37.6 to 31.9 percent.

It is well known that furniture is manufactured at the enterprises of more than 30 ministries and departments. Nevertheless, the demand for it is not being satisfied. According to the results of wholesale fairs the need for it in 1980 was 88 percent satisfied, including 77.5 percent for children's furniture and 84.7 percent for sets and suites.

One of the reasons for this situation is nonfulfillment of the plan for the volume of furniture production by certain enterprises of the woodworking industry. For example, the plan for furniture production by the production association "Bashmebel" for January-November 1982 was fulfilled at only 95.1 percent and by the association "Amurskmebel" at 89.2 percent. We should note that over this period nine production associations of the All-Union Industrial Association "Soyuzmebel" did not cope with their production plan, falling short 8.7 million rubles worth of furniture.

For many enterprises in heavy industry the principal reason for inadequate production of consumer goods is the unsatisfactory supply of raw materials to producers. Provided enterprises are supplied the necessary raw materials and are allocated adequate amounts of capital investments it is possible to increase the output of small crystal articles and stemware, for which there is a large demand. Furniture represents 13.6 percent of the total volume of durable consumer goods and housewares, but its relative share in the total volume of output of USSR Minlesbumprom has not quite reached 25 percent. At the same time stocks of raw materials at furniture factories are in certain cases inadequate for fulfilling the plan and achieving quality manufacture of the product.

In certain cases the restraining factor is an imperfect production process. For instance, sizable amounts of enameled cookware produced does not pass inspection. At the Cherepovets Metallurgical Plant imeni 50-Letiye SSSR alone the losses from rejects in the production of quality cookware has exceeded 500,000 rubles every year. But at the same time it is altogether unjustifiable to scrap all of the enameled cookware which does not meet the standards. In order to preserve commodity resources local pricing authorities have been granted the right, jointly with manufacturing enterprises and also local trade organizations, to sell certain enameled cookware items which do not meet the standards at reduced retail prices, reducing the enterprise wholesale price at the same time.

There is a need for a substantial improvement of the production of shipping containers and packaging materials; the inadequate supply of them is one of the reasons for abnormal breakage and loss of merchantability. The production of container cardboard in 1980 reached 955,000 tons, while at the same time 1.4 million tons are needed to pack consumer goods alone. Consequently, the needs of the national economy are being met at a level of only 68 percent. For instance, for 1980 the Minsk Porcelain Plant was allocated 3 million square meters of corrugated cardboard when its need was 3.6 million square meters. Because of the shortage some of the chinaware was packed in paper bundles with excelsior, which does not preserve the merchantability of the products and results in breakage. The consumption of excelsior in packing is sizable. In 1981 plants of USSR Minchermet produced 120,000 tons of enameled cookware, but 460 kg of excelsior went into packing each ton of this cookware. Consequently, 55,200 tons were required just to package the cookware produced, but substantially less was allocated.

At the present time the effective demand for consumer goods is not being fully met. The unsatistied demand in turn holds back the rise of the material prosperity of the people and stands in the way of a growth of social production

and higher production efficiency. At the same time the shortage of goods is to a considerable extent artificial in nature. Often it results from short-comings in the economic mechanism, from a low level of economic accountability for their production and sale. In certain cases the artificial shortage weakens consumers' requirements as to product quality.

Under present-day conditions the problem of supply and demand is associated with the balance of real financial and physical flows. The law of supply and demand requires full correspondence among its components with respect to assortment, quantity and quality of goods. The growth rate of the production of consumer goods was planned higher than the growth of personal money income in the 11th Five-Year Plan in order to achieve that correspondence.

First there has to be a close linkage achieved of wages and material incentives with the real contribution which every worker makes to the growth of production and higher production efficiency. There is also a need for substantial improvement of the correspondence between the rise of labor productivity and remneration. It is well known how important it is as a national economic proportion to maintain this necessary relationship. But in recent years the growth rates of wages in a number of branches have been exceeding the growth rates of labor productivity.

For example, in 1982 the rise of labor productivity in USSR Minneftekhimprom was 1.2 percent, while the average wage rose 1.4 percent. In USSR Minchermet labor productivity dropped 0.3 percent, but the average wage rose 1.9 percent. This is generating a disproportion between supply and demand, which is having an impact on the rise of labor productivity. In order to eliminate the gap between supply and demand in 1983 specifically assigned targets for the output of consumer goods per ruble of the wage fund were revised for the first time.\*

The problem of balancing supply and demand is solved in certain cases by expanding imports of commodities. Obviously, one of the factors of achieving full balance between them is to improve the domestic economic mechanism. Attention should accordingly be paid to the proposal of using a computerized balance system for planning consumer goods based on use of the methods of economical mathematics and computers.

There is a need to increase the production of new goods with improved performance characteristics. According to an estimate of specialists, 5 billion rubles worth of such goods need to be produced every year.\*\* Their production promotes fuller satisfaction of the needs of the public. In order to increase the output of new products durable consumer goods and housewares have since 1979 been included in the state plan for the country's economic and social development in the section "Organizing the Production of New Products of Industry."

<sup>\*</sup> Garbuzov, V. F., "O Gosudarstvennom byudzhete SSSR na 1983 g. i ob ispolnenii Gosudarstvennogo byudzheta SSSR za 1981 g." [On the USSR State Budget for 1983 and on Fulfillment of the USSR State Budget for 1981], Moscow, Politizdat, 1982.

<sup>\*\*</sup> Orlov, Ya., "Pro oction and Quality of Consumer Goods," VOPROSY EKONOMIKI, No 1, 1982, p 132.

Temporary wholesale and retail prices are set on such products. The period of their validity may not exceed 3 years. The price supplement is rather high. We would deem it advisable to pay the supplement in two stages. In the first stage of putting into production a product bearing the symbol "N" 5 percent would be added to the price, and if the product is awarded the Quality Emblem, another 5-10 percent would be added, that is, the period of validity would be extended.

In all branches of industry there is a uniform system for determining the planned proportion of material incentives of workers for increasing the volume of production, for refreshing the assortment and for improving the quality of consumer goods. The stimulative function of transfers to the material incentive fund (FMP) from the results of production activity in the production of these goods is being manifested unevenly from branch to branch and from enterprise to enterprise. In those which are specializing in the production of volume consumer goods the sum total of transfers for attainment of these indicators is appreciable enough, while at many enterprises of heavy industry, where their manufacture is concentrated in deparate shops, and in a number of cases in production operations which are not specialized, the malerial incentive fund does not build up to a significant size.

In the 11th Five-Year Plan a whole number of material incentives for the growth of production and improved quality of durable consumer goods and house-wares are being applied. For example, deductions have been provided from above-plan profit for the relative share of goods in the superior-quality category when incentive supplements to their prices have not been established. For every percentage point of the relative share of these goods achieved before 1981 the transfers were made in a proportion not to exceed 1 percent of the FMP, and for every percentage point achieved in 1981 and subsequent years of the 5-year plan 2 percent. The total increase of the FMP may not exceed 25 percent.

At those enterprises where the production of consumer goods is not the principal type of activity, provision has been made to increase transfers to the FMP for additional output of consumer goods over and above the assigned targets. Up to 5 percent of the value of additional goods produced can be transferred to that fund. Their total size must not exceed 10 percent of the fund.

Along with worker incentives, there are also plans to apply financial penalties. Should consumer goods be returned to the enterprise because of their low quality, the FMP is reduced by 3 percent for each percentage point of goods returned, but not by more than 10 percent. The FMP is increased by 10 percent when all delivery contracts are fulfilled, including those for consumer goods, but should they not be fulfilled, there is 1-percent reduction for every percentage point of underdelivery. When all contracts for delivery of children's goods are fulfilled, the fund is increased up to 10 percent from above-plan profit.

Application of the particular provisions indicated above does involve certain difficulties, since planning the volume of production is aimed at establishing strenuous plans for enterprises. Taking into account that there are certain

difficulties in realizing the balance of physical resources, overfulfilling the assigned production plans in the branches of heavy industry is especially problematical, and it is still more difficult to save on physical resources for additional output of goods intended for the population. For instance, in 1980 nonfulfillment of the plan by the production association "Saratovmebel'" by 2.5 million rubles resulted from underdelivery of chipboard and fiberboard by suppliers. This was one of the reasons for slow activation of new capacities for the production of consumer goods and underutilization of the existing ones.

At enterprises putting capacities into production for the production of consumer goods one of the indicators governing formation of funds should be the growth rate of production of these goods year by year, and differentiated rates of transfers to the FMP should be set so that the rates are higher when the growth of output is larger. It would be advisable for transfers to the FMP between 1 and 2 percent to be established for each percentage point of the growth of volume of consumer goods. When the growth rates drop, the FMP would be reduced at the rate established.

In a number of cases the procedure for breaking down assignments by enterprises for the production of durable consumer goods and housewares in value terms is standing in the way of increasing the output of consumer goods. The methods recommendations of the All-Union Scientific Research Institute for Study of Demand for Consumer Goods and Market Conditions are helping to improve the system of recordkeeping of production and requirements for such goods. Those recommendations envisage solving the following problems: substantiation of declarations and orders for production and delivery of goods which are not centrally planned; clearance of production programs for those goods with industry; distributionand redistribution of goods in accordance with changes in demand; exerting vigorous pressure on industry in order to increase their output, improve their assortment, and optimalize the location of their production.

Faster scientific-technical progress requires active use of the price mechanism and assurance of price stability and flexibility. The 1982 revision of wholesale prices of consumer goods has to a certain extent strengthened the dependence of the price on the product's quality. When prices are set on consumer goods, consideration should be given not only to the socially necessary expenditures of labor in the product's production, but also to establishing economically sound relations between those prices and the prices of similar and interchangeable products. It would also be advisable to use stepped wholesale prices, which should change as a function of demand for the product and the level of profitability of production. At the same time, it is possible that there is no need to include in overfulfillment of the production plan those products produced over and above the plan which are not in demand; that will make it possible to link the performance of the enterprise to the final results of its activity.

We should note that all ministries have not yet realized the importance of producing consumer goods. For example, of all the enterprises in USSR Minchermet located in RSFSR 40 percent have not organized the production of goods

for the population. Such enterprises represent 30 percent in USSR Minnefte-khimprom and 26.6 percent in USSR Mintsvetmet [Ministry of Nonferrous Metallurgy]. In order to satisfy the public demand for goods it is now being proposed that the size of revenues of local budgets be made more dependent on increased production of consumer goods at enterprises located in the jurisdiction of local soviets, regardless of the subordination of those enterprises.

In the light of the decisions of the 26th party congress and the November (1982) Plenum of the CPSU Central Committee, the task has been widely set of seeking out possibilities of additional output of goods for the public, especially by utilizing local sources of raw materials and production scrap and waste and by overfulfilling assignments for the production of goods per ruble of the wage fund. It should be emphasized that increasing the manufacture of such goods using production scrap and waste is being held back to a certain degree by the present procedure for formation of the consumer goods fund. It is formed provided the value of production scrap and waste amounts to 50 percent or more of the value of raw materials and supplies. There must be an examination of the question of forming this fund when production scrap and waste is used in smaller proportions. Under present conditions implementation of the party's economic strategy requires fuller mobilization of the potential that exists for increasing the output of consumer goods by making more extensive use of bank credit for these purposes.

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#### CONSUMER GOODS PRODUCTION AND DISTRIBUTION

PACKAGING PROBLEM REQUIRES REORGANIZATION AT HIGH LEVEL

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 31 May 83 p 1

[Article by N. Lykov, chief of the Packages Main Administration of the USSR State Committee for Material and Technical Supply (Moscow): "Containers for the Crop"]

[Text] In the Food Program there is a special section on the supply of the sectors of the agro-industrial complex with containers and packaging materials. Concern about the most important link of the food conveyor, which guarantees, on the one hand, the shortest possible delivery time of the products of the fields and farms to the national table and, on the other, the reliable preservation of these products in transit, during storage and in trade, is thereby displayed. That is why the preparation of containers for the crop is now under unremitting control.

In all 32 union ministries, all the republics of our country and 43 territorial organs of the USSR State Committee for Material and Technical Supply are participating in the production of shipping containers. In a year about 15 billion rubles are spent on containers and packaging materials. More than half of all the resources of wood and cardboard containers are being used in the interests of the agro-industrial complex.

Given such scales and at the same time such a dispersal of production among different sectors and regions the problem of the organization of the matter, naturally, is being brought to the forefront. At the national economy level, it seems to me, it has basically be solved. All the necessary regulatory documents have been drawn up and adopted. The coordination has been assigned to an interdepartmental council. The role of the headquarters, which is concerned daily with questions of the determination of the need for this type of industrial products and materials for them, the elaboration and implementation of the program of their distribution, is being assigned to our main administration of the USSR State Committee for Material and Technical Supply--the Packages Main Administration. But it is possible to distribute only what has been produced. Starting this year a special section--"The Production of Containers"--has been introduced both in the state plan and in the plans of ministries, departments and union republics. Some ministries are permitted to create in the staff a special service for the management of such production. I will add that all these measures have been cemented by a comprehensive program. In short, the organizational aspect on the whole has been put in order.

The manufacturers are approaching the harvesting season of this year with great responsibility. By January it was possible to create reserves in the amount of 40 percent of the annual need, while today the assignment of directive organs on the stockpiling of containers as a whole is being exceeded. Therefore, when the early vegetables arrived at the farms of Uzbekistan, Azerbaijan and other republics, there were enough containers there not only for the planned crop, but also for a very significant addition to the socialist obligations.

And still, in evaluating the present situation with the supply of containers for the crop, I bould say with all certainty: in the year, which has passed since the May (1982) CPSU Central Committee Plenum, it has not been possible to solve the problem completely. The relative well-being today should not set our mind's at rest: it is being achieved mainly by the shifting of the available resources. However, when the time of mass harvest shipments arrives, such shifting will be greatly limited.

reperience shows, in what directions it is necessary to act. Last year as compared with 1975 the consumption of lumber for the production of containers did not increase, although considerably more products, including agricultural products, were produced. How was this achieved? During the same period the reuse of containers increased by nearly 15 percent, economical cardboard containers—by approximately 12 percent, returnable wood containers—by 1.4-fold. The assignments on the volumes of economical shipments (in containers, packages, container equipment) have now been drawn up and delivered to the ministries of the agro-industrial complex. Technically sound rates of consumption of containers are being introduced.

But it is also necessary to speak of the fact that no, even the most well-balanced system of management, no, even an ideally balanced, goel program will yield an impact, if as in the past in the actions of the related industries the element of discretion remains so great. How is the state of affairs forming today? Let us take the deliveries of sets of wood crates for fruits and vegetables. The main producers—the enterprises of the union Ministry of the Timber, Pulp and Paper, and Wood Processing Industry and the State Committee for Forestry—are fulfilling the assignments. But some of them, like the Irkutsklesprom Association (V. Sakharov, general director), as well as the Kostroma Association (K. Averochkin) and the Tyumen Association (M. Gayday), finished the first quarter substantially ahead of the plan. And along with this the enterprises of the RSFSR Ministry of the fuel Industry (Deputy Minister A. Korablev), the RSFSR Union of Consumers' Societies (I. Trukhanov, first deputy chairman of the baord), as well as some enterprises of the Ukraine and Moldavia did not fulfill their assignments.

The executives of the lagging ministries and departments cite in their justification the lack of lumber. Indeed, difficulties exist. Both with wood and especially with packaging cardboard. The point is that the main suppliers—the Bratsk limber Industry Complex, the Amursk and Selenginsk Pulp and Cardboard Combines (C. Kurakin, V. Butenko and M. Babchuk are in charge of them)—did not fulfill the plan assignments during the first quarter and had also not been able to correct matters in April.

But the situation is not at all hopeless. The production and use of returnable containers are planned for each producer (and frequently the very same ministry and consumer). The reserve is enormous: here each cubic meter makes it possible to

save 8 m<sup>3</sup> of commercial timber. Unfortunately, not all enterprises are devoting the necessary attention to the fulfillment of this item of the plan. Thus, the Lenles Association, which V. Pryasnov heads, fulfilled the assignment of the first quarter by only one-half. The result at the Perm'drev Association (A. Zyryanov) is somewhat better--61 percent. The Sevzapmebel' Association, at which A. Chudovskiy is the director, is also lagging.

Of course, the modernization of production and the construction of new capacities are required for the production of economical containers. The directive organs have envisaged their building. However, when making up the annual plan not all ministries received adequate limits of capital investments and construction and installation work. Now the situation is being corrected, the USSR State Planning Committee is seeking additional resources. But a portion of the capacities should be created by means of the assets which have already been allocated for the development of the sectors in accordance with the five-year plan. Unfortunately, not all the ministries have accepted these instructions for fulfillment.

In particular, it is proposed to allocate 63 million rubles to the USSR Ministry of the Food Industry for 1983-1986 for the development of container production, including 6 million rubles in 1983. What have they undertaken in this sector? Here is an excerpt from a letter of Minister V. Lein: "Taking into account... the limitedness of capital investments for 1984-1985, the USSR Ministry of the Food Industry asks that the date of the construction of specialized enterprises for the production of cardboard containers be postponed to the beginning of the 12th Five-Vear Plan." But in what is the ministry now intending to deliver its products? And how will it change the completely intolerable situation: up to 90 percent one-time containers are being used instead of returnable containers, the output of container equipment is not being expanded?

Some client ministries, following not the best of traditions, are postponing the placement of capacities into operation to the end of the year. That is how they acted in the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, in which a new corrugating unit should be put into operation at the Ingurskly Pulp and Paper Combine. The same thing happened in the union Ministry of the Meat and Dairy Industry: the turning over of the container works at the Pyatigorsk Poultry Combine was postponed until the fourth quarter. But the plan of this year was attached with allowance made for these capacities.

A great reserve of ours is the economical use of the available containers. Checks, however, show: at the moment when all efforts must be exerted for the creation of a dependable reserve for the crop, some economic managers agree to the open squandering of the most valuable resources. For example, at the Navoi Sovkhoz of Tashkent oblast they used crate boards for the building of blind fences and the lining of walls. At the Margilan Cannery of Fergana Oblast they have "stored" the packaging materials so that they resembled an enormous scrap heap. We have a right to make a severe claim for this against not only the immediate culprits, but also the managers of the subdivisions of the USSR State Committee for Material and Technical Supply, who held aloof from monitoring. A. Abdurasuley, chief of the Uzbek SSR Packages Main Administration—for the mentioned specific cases. The fact that in the past year 20,700 m3 of fruit and vegetable containers were lost in Uzbekistan, is a direct result of the loss of the sense of responsibility among the workers of the main administration which he heads.

Such facts are completely intolerable. The territorial organs of the USSR State Committee for Material and Technical Supply should do everything in order to save this year, along with the collectives of the enterprises which consume and produce containers, no less than 150,000 m<sup>3</sup> of complete crates—they will afford an opportunity to ship an additional 300,000 tons of vegetables and fruits.

We are indebted to the consumers who have still not received all the containers in accordance with the allocated funds. Hence, during the time remaining until the harvesting season our assembling sections have to be strengthened, by mechanizing them as much as possible. The same thing must also be done at the enterprises of the USSR State Committee for Material and Technical Supply, at which the repair of containers, which have become unusable, is under way. But the main thing is that every representative of our sector should become a tireless organizer of the work of all the workers of related industries. For we have the primary responsibility for the keeping capacity of the crop.

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#### CONSUMER GOODS PRODUCTION AND DISTRIBUTION

LOW-QUALITY, UNORDERED GOODS PILING UP IN TRADE

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 27 May 83 p 2

[Article by Georgian SSR Deputy Minister of Trade M. Chumburidze (Tbilisi): "From the Shop to the Store"]

[Text] Recently an exhibition of goods, which were produced with glaring production defects, was organized here at the Tbilisi Department Store. Many of them, about 500 samples, were gathered. The exhibition forced us to ponder once again how unmarketable goods appear in the world, why stale goods worth more than 30 million rubles have formed at the warehouses of plants, factories and stores.

I will begin with the miscalculations in our commercial work. There are many of them. For the present the workers of industry and trade of the republic are still studying demand poorly. The advertising here is imperfect, the wholesale bases and stores are not demanding enough on the assortment and quality of the items being produced. We are not always able to manage the commodity resources and to shift them efficiently. That is what, for example, one of the checks showed. In the organizations of the republic Ministry of Trade there were above-standard stocks of wool fabrics for a commodity turnover of 32 days, while in the city trade administration of Zugdidi they were 8 days less than the standard, in the city trade administration of Makharadze--12 days, in the city trade administration of Telavi--96 days of trade. Now we are trying more actively to shift the commodity resources and to distribute them subject to the demand between individual regions of the republic.

Trade detected with a delay the decline of the demand for high quality dishes, while the stores were overflowing with expensive items made of crystal. But there were not enough simple glasses, sugar bowls, candy dishes and bowls for jam.

Much depends on the ability to trade, to display inventiveness. At the Kul'tkhoztovary Firm, for example, in a few years the turnover increased by nearly three-fold. Here they are seeking new forms of the selling of goods, are strengthening the contacts with suppliers and are not sparing assets for advertising. For example, they were reluctantly buying the Vityaz' color television, which is produced by one of the Belorussian radio plants, three or four a month. Specialists of the firm organized advertisements in the local press and held an exhibition-sale with the participation of representatives of the plant, who helped the customers with skilled advice. In just 2 weeks 180 Vityaz' televisions were sold. Unfortunately,

there are not very many examples of such skillful commercial activity. Therefore the republic Ministry of Trade is now drawing up a long-term goal program of the concentration of assets of financing for advertising and the extensive development of advertising and promotional work.

Post even the highest level of trade will not help, if goods, which do not meet the present demands, are offered to customers. I remember that several years ago the Ibilisi Sewing Factory imeni S. Ordzhonikidze, which M. Cheidze manages, set up the production of women's coats with a fur collar. People bought them willingly, they did not lie for a long time at the warehouses. But time passed, the tastes of people changed, yet the enterprise continued to "push" these goods. And now we do not know what to do with them. Now the prices for such items have been reduced, but this does to free the garment workers from the need to study demand better.

There are many such examples. The Tbilisi Worsted and Felt Combine produces fabrics which in texture and appearance are inferior to brought in fabrics. As a result last year at the interrepublic trade fair a large amount of these items were not sold. The Tbilisi Hosiery Production Association is not observing the scale of sizes—every type of merchandise is produced in one size. In connection with the arrival of a commodity with glaring production defects a policy of 100-percent checking has been established and the acceptance of several types of footwear, which is produced at the Isani Association, as well as children's footwear, which the Narikala Factory produces, has been halted.

women's dresses made of knitted cloth and polyester, men's wool suits and knitted underwear made of rayon have piled up at the warehouses of enterprises and in the trade network. And at the same time the production of goods, of which there are obviously not enough: jumpers, pullovers, sweaters, suits, sets of women's and children's cotton underwear, men's wool underwear, women's and children's stockings and panty hose made of silk thread, was not assimilated.

The collectives of some enterprises are stubbornly continuing to produce an unordered assortment. Last year, for example, our trade organizations refused to accept from the republic Ministry of Light Industry various goods worth 42 million rubles. Here it is possible to name women's wool suits, which the Tbilisi Amirani Sewing Factory produces, coats for girls of school and preschool age of the Telavi Sewing Factory and men's silk shirts with the mark of the Kutaisi Gelati Association. There is just one reason: these are not goods which we ordered, not the ones which are needed today by the customers.

Unfortunately, the violation of concluded contracts is becoming today not the exception, but the rule. The question arises: What is to be done? The fines, which we are exacting, do not substantially influence the results of the economic activity of industry. It is necessary to seek other methods of influence on undisciplined suppliers. In this connection we are proposing as an experiment to introduce the following procedure: to sell the products, which have been produced without an order of trade, at the prices of potential sale. And to attribute the losses to the account of the guilty enterprises.

Trade has drawn up and sent to the republic State Planning Committee a list of scarce goods, the production of which needs to be revived or increased. When reviewing the drafts of the production plans for 1983 the State Planning Committee

found an opportunity to increase the deliveries of mass demand goods, which are necessary for the market, by 10 million rubles. Efficient contact with industrial enterprises of the republic has been set up. We are studying together the possibilities of producing goods made of production scraps. We are improving the practice of producing goods at contract prices. Last year such prices were established for 97 types of leather footwear.

This year it is planned to open in Tbilisi a store for the sale of especially fash-ionable domestically made goods, as well as the most fashionable imported goods. An assignment for 1983-1985 on the organization of "Goods for Young People" stores in the cities of Tbilisi, Sukhumi, Batumi, Tskhinvali, Kutaisi and Rustavi has been established in the long-range plans. They will be created both by means of new construction and by the renovation of the operating trade network.

The republic Ministry of Light Industry and Ministry of Trade have concluded for the 11th Five-Year Plan agreements on the production, deliveries and sale of fabrics, clothing, leather footwear and haberdashery articles. They are ensuring the more complete meeting of consumer demand. Unmarketable goods are being replaced by more popular ones. Thus, for example, instead of knit underwear made of rayon the republic Ministry of Light Industry offered new underwear. In all 26 models made from this material have been developed: bathrobes, sun dresses, dresses, blouses, children's and women's skirts.

Agreements of socialist cooperation are one of the efficient forms of the contact of industry and trade. They help to increase the quality and to enlarge the assortment of goods for the population. In all 54 such agreements have been concluded in the republic. One of them, for example, was concluded between the wholesale base of Cruzgalantereya and Tbilisi enterprises: the Komsomolka Haberdashery Factory, the Nadikvari Sewing Factory, the Khashuri Haberdashery and Textile Factory. The partners are thinking over together, what items should be produced and sold and in what quantity. The reports on the fulfillment of the agreements are heard twice a year at marketing conferences with the participation of the managers of enterprises, trade organizations and wholesale bases and the executives of departments of the Ministry of Trade and the Ministry of Light Industry.

At the November (1982) CPSU Central Committee Plenum Comrade Yu. V. Andropov said that the main criterion, in accordance with which ministries and departments should evaluate their work, is the degree of satisfaction by the sector of the constantly increasing public needs. Hence the conclusion for us can only be one: to strengthen the cooperation of industry and trade.

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#### CONSUMER GOODS PRODUCTION AND DISTRIBUTION

#### SUGAR PROCESSING PLANTS RECEIVE NEW EQUIPMENT

Moscow SAKHARNAYA PROMYSHLENNOST' in Russian No 3, Mar 83 pp 2-4

[Unattributed lead article: "Increase Efficiency of Raw Sugar Processing"]

[Text] The many thousands of Soviet sugar mill workers have commenced with great enthusiasm carrying out the plan and socialist pledges adopted for 1983, as well as the tasks specified by the Food Program.

CPSU Central Committee General Secretary Comrade Yu. V. Andropov stated in his address at the November (1982) CPSU Central Committee Plenum: "We have considerable reserve potential at our disposal in the nation's economy.... This reserve potential must be sought in speeding up scientific and technological advance and in extensive and rapid adoption into production of the achievements of science, technology, and advanced know-how."

These instructions apply in full measure to sugar industry workers.

As is indicated by an analysis of the work performance of sugar refineries, our industry contains substantial reserve potential for increasing sugar production without additional expenditure of raw materials, fuel-energy and other material resources.

The sugar industry, in addition to manufacturing sugar from beets, manufactures refined granulated sugar of imported raw cane sugar. The Republic of Cuba is the principal supplier of raw sugar to the Soviet Union.

In recent years the volume of sugar refining from raw sugar has increased somewhat in this country, and this year will comprise almost 30 percent of the total quantity of produced granulated sugar.

In 1983 approximately 100 sugar refineries will process raw sugar; many will be processing this raw material for the first time.

Adding new refineries to the processing of raw sugar involves additional outlays for organizational-technical measures at these enterprises. This step is essential, however, in order to resolve the problem of increasing production of sugar from beets and improving the efficiency of beet sugar production.

Some sugar refineries which have been processing raw sugar for many years now will be relieved of processing raw sugar this year and will be given the opportunity to perform thorough major overhaul of equipment and to perform enterprise technical rehabilitation measures, since many years of processing raw sugar between seasons has had a regative effect on preparing for the beet sugar refining season and the technical-economic performance figures of these refineries.

For example, for more than 10 years in a row the Georgian Sugar Refinery successfully processed raw sugar. The workforce of this enterprise, however, began processing beets from the 1982 harvest unprepared, and throughout the entire production season worked unevenly and with an intolerably poor production capacity utilization factor (0.69). Sugar losses in production comprised 1.63 percent, with a standard figure of 1 percent, and sugar content in the molasses was 2.46 percent of the processed beet, with a targeted 2.30 percent. In November-December 1982 alone above-standard production losses exceeded 300 tons of sugar. For five years now installation of a continuous-operation diffusion unit has been in progress at this enterprise, but installation has not yet been completed. Unsatisfactory preparation for the beet processing season on the part of a number of refineries which had been processing raw sugar for several years in succession occurred last season in the RSFSR, Ukrainian SSR, Latvian SSR, and certain other beet-growing union republics.

It is essential that the ministries of food processing industry in the beet-growing union republics, production associations and other sugar industry organizations give priority across-the-board material and financial assistance to sugar refineries exempted this year from processing raw sugar, in order to ensure that they definitely accomplish all scheduled measures pertaining to technical rehabilitation of production, prompt and timely, quality preparation for the 1983 beet harvest processing season.

The interests of the cause demand that officials and specialists at all levels of sugar industry management and administration concentrate attention on matters pertaining to further improvement and efficiency of raw sugar processing.

In his address at the November (1982) CPSU Central Committee Plenum, CPSU Central Committee General Secretary Yu. V. Andropov stressed the following: "We have many examples of innovative work and a genuinely stewardly attitude toward public property. But unfortunately this is not experiencing adequate dissemination. And yet frequently particular expenditures are not required here. This means that there is something else lacking — initiative and a determined campaign against poor management and waste."

These instructions are of enormous significance for radical reorganization of efforts in all areas of production-management, scientific research, design-engineering and other domains of sugar industry activities.

The workforces of many sugar refining plants have achieved excellent performance indices in raw sugar processing as a result of extensive socialist competition, adoption of the brigade form of organization of labor, labor incentive and advanced know-how, improvement of industrial process conditions and heat engineering, as well as effective efficiency innovation activities.

These include, first and foremost, the workforces of the Leningrad, Tbilisi, Kanev, Zbarazh, Yareskovskiy, Dubno, Lannovskiy, Gorodeya, Zhabinka, and a number of other sugar refining plants which, in processing raw sugar in 1982, had a sugar yield of 95.71-96.09 percent, sugar production losses of 0.82-0.94 percent, and sugar content in the molasses of 0.92-1.22 percent of the raw material by weight.

The experience of leading enterprises, however, has not had adequate dissemination within the sugar industry.

Production association managers and specialists, having achieved certain positive results in average sugar yield for the association (slightly more than 95 percent of the processed raw material by weight), have proceeded to rest on their laurels, while there lie concealed behind these averages a number of serious deficiencies in the performance of certain sugar refining plants, which are not fully utilizing reserve potential for increasing sugar output and reducing production costs. In the Voronezh Production Association, for example, in 1982 the Georgiu-Dezh Sugar Refining Plant had a sugar yield of 95.06 percent in processing raw sugar, while the Khokholskiy Sugar Refining Plant had a yield of only 94.49 percent of the processed raw sugar by weight; in the Kursk Association the Sugar Refining Plant imeni Kalinin and the Sugar Refining Plant imeni Kuybyshev had a sugar yield of 95.39 and 94.00 percent respectively; in the Vinnitsa Association the Brodetskiy and Stepanovskiy sugar refining plants had figures of 95.80 and 94.49 percent respectively; in the Sumy Association the Buryn and Pervomayskiy sugar refining plants had figures of 95.02 and 94.65 percent respectively. The situation was similar in other associations and administrations of this country's sugar industry.

if one considers the fact that all enterprises were processing raw sugar of identical quality, one should conclude that the associations and the sugar industry as a whole have considerable reserve potential available to increase sugar yield and production from raw sugar.

It is essential that officials at the ministries of food processing industry in the beet-growing union republics, sugar industry associations and enterprises take the necessary steps to study advanced know-how in highly-efficient processing of raw sugar and adopt it at all sugar refining plants processing raw sugar.

The All-Union Scientific Research Institute for the Sugar Industry (VNIISP) should play a leading role in synthesis and dissemination of advanced know-how, and especially of efficiency innovator suggestions on adopting into production effective solutions aimed at reducing losses and increasing sugar yield and output. Implementation of these measures should be specified in the institute's annual work plans.

improvement in utilization of production facilities and a smooth pace of plant work operations are most important conditions for increasing the efficiency of raw sugar processing. Certain results have been achieved in the sugar industry in recent years in this area. In 1980 the raw sugar processing average figure per plant per day was 404 tons, while in 1982 it was increased to 421 tons.

At the same time, as is indicated by the performance of leading enterprises, these figures are poor and fail to meet today's requirements. In the Tambov Production Association, for example, at the Zherdevka Sugar Refining Plant, with a production capacity of 3,100 tons of beets per day in 1982, average daily processing of raw sugar amounted to 424 tons, with 95.28 percent sugar yield, while at the Kirsanov Plant, of approximately the same production capacity (3,000 tons), the figures were 436 tons and 95.01 percent respectively.

In the Ternopol Association the Barazh Sugar Refining Plant, with a production capacity of 3,000 tons of beets per day, processed on the average 701 tons of raw sugar per day with a sugar yield of 96.09 percent, while the Lanovtsy Plant, with a capacity of 3,000 tons, processed only 469 tons per day, or practically one third less, with a sugar yield of 95.18 percent of the raw sugar by weight.

We should note that at the Zbarazh Sugar Refining Plant the average daily raw sugar processing figure was 640 tons in 1981, or 40 percent above the average level of utilization of production capacity by this country's sugar refining plants involved in processing raw sugar, while in 1982 it exceeded the national average by a factor of almost 1.7.

Smooth, high-output, even-paced operations make it possible substantially to shorten raw sugar processing time and by this to obtain additional time for high-quality repair of equ'pment, machinery, mechanisms and buildings, as well as for adoption of technological advances.

All this enabled the workforce at the Zbarazh Sugar Refining Plant successfully to fulfill plan-specified targets for the first two years of the 11th Five-Year Plan. In 1981-1982 the sold product volume target was achieved by 104.3 percent, the target for production of granulated sugar from beets by 101.2 percent, from raw cane sugar by 102.5 percent, labor productivity ran 101.8 percent, and above-target profit of 373,000 rubles was generated.

The operating experience of this plant, however, as well as that of other leading enterprises pertaining to efficient utilization of production capacity, is being adopted at an unsatisfactory pace at this industry's sugar refining enterprises. VNIISP and design organizations are failing to display proper initiative in this matter. We cannot accept this situation.

New that many sugar refining plants are processing raw sugar, management and specialists at sugar industry enterprises, production associations and administrations must ensure even-paced, high-output operation in all production sections, must devote particular attention to safeguarding raw sugar in receiving, storage, and processing-handling, ensuring uninterrupted, around-the-clock off-loading of incoming raw sugar from railcars, preventing above-normal railcar turnaround time, and making every effort to reduce consumption of fuel, electric power, limestone, and other production materials.

The attention of enterprise and public organization officials should be focused un conzern for training production personnel and providing them with good working and living conditions. It is also essential to wage a determined campaign against violators of labor and production discipline, against steelers of socialist property, and against mismanagement.

Of great importance for increasing production efficiency is prompt provision of the requisite quantities of raw materials, fuel, limestone, and other production materials to every sugar plant processing raw sugar. We cannot allow a repeat of the irresponsibility which occurred in the RSFSR sugar industry in 1982 when, while some sugar refining plants had a surplus of fuel, others were standing idle due to a lack of fuel. RSFSR sugar refining plants stood idle more than 20 plant-days for this reason. Concern about increasing labor productivity, eliminating labor turnover, creating good living conditions and offering good cultural opportunities, as well as a high moral-psychological climate at enterprises should constantly occupy the focus of attention of sugar industry officials and public organizations.

there is no doubt whatsoever that sugar industry workers, engaging in socialist competition and adopting the know-how of leading enterprises of this industry, will achieve this year a further increase in refined sugar yield from processed raw sugar and will boost the level of utilization of plant facilities and overall production efficiency.

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#### BRIEFS

FILM ON CONSUMER GOODS—Current aspects of the production of consumer goods are examined in a new full-length film entitled "It Is a Question of Goods." The social review of the picture, which was made at TsSDF [Central Order of Lenin and Order of Red Banner Documentary Studio], was held 24 March in Moscow. The makers of the film, headed by film director L. Derbysheva, RSFSR distinguished figure in the arts, made an extensive filming expedition through the country. Aside from Moscow, they visited Kiev and Yerevan, Vilnius and Novokuznetsk, as well as other cities, where they recorded on film the performance of advanced enterprises in light industry. Taking them as an example, the film journalists have tried to tell about the effort to improve product quality, to be thrifty with the people's property, and to seek out untapped potential. Dialogues, interviews, and disputes about man's relation to the world of things have been organically incorporated into the film. The picture is going out to the screens of the country. [Text] [Moscow SOVETSKAYA ROSSIYA in Russian 25 Mar 83 p 2] 7045

LICHTWEIGHT MATERIAL—Bielastik is a new fabric developed in the LiSSR Scientific Research Institute of Textile Industry on a commission for USSR Sport-komitet [Committee for Physical Education and Athletics of the USSR Council of Ministers]. Suits made from Bielastik were tried out by skiers of the USSR national youth team and the Kaunas basketball team "Politekhnika." The new fabric, made from polyurethane resins, is strong and elastic, it can stretch by nearly one-quarter of its length, and it is very light. A suit weighs several tens of grams and breathes well. The Liyepaya Clothing Accessory Combine will manufacture the first 10,000 meters of Bielastik this year. Textile workers of the CEMA participating countries are also beginning to manufacture the new fabric. [By V. Armalis] [Text] [Moscow NEDELYA in Russian No 18, 2-8 May 83 p 4] 7045

CONSUMER GOODS FAIR--The Interrepublic Wholesale Fair of Durable Cultural and Household Goods has taken place in Moscow. Hundreds of the country's enterprises exhibited to representatives of trade organizations cinematographic and photographic equipment, timepieces and toys, musical instruments and sporting goods. One of the largest sections of the fair was devoted to home radio equipment. Representatives of industrial enterprises of RSFSR displayed new developments which are distinguished by their up-to-date design and high quality of manufacture. The assortment of goods which will appear in stores in 1984 was decided upon at the fair. [By O. Tikhomirova] [Text] [Moscow SO-VETSKAYA ROSSIYA in Russian 2 Jun 83 p 4] 7045

YEREVAN FOOD STORE—Armenia's largest specialized store, "Fruits of Summer," has opened in a new housing project in Yerevan. This is the first trade enterprise which will be operating on the basis of direct contracts with sov-khozes and kolkhozes of the Ararat Valley. Stores of this kind will appear in the very near future in Leninakan, Kirovakan, and other cities of the republic. The conveyor belt "from the field to store shelves" will ensure uninterrupted supply of fruit and vegetables to the public and will make it possible to avoid losses of produce and to reduce shipping costs. [Text] [Kishinev SO-VETSKAYA MOLDAVIYA in Russian 9 May 83 p 1] 7045

GENTIAN PLANTING MACHINES--The Far East Experimental Station for Medicinal Herbs has developed machines for planting gentian. Previously all the laborious processes of spading and harrowing the seedbed were done by hand. The use of equipment on 50-hectare plantations offers an economic benefit up to 500,000 rubles per year. [Text] [Kishinev SOVETSKAYA MOLDAVIYA in Russian 19 May 83 p 1] 7045

PRODUCT QUALITY--Yesterday the regular session of the permanent scientificpractical seminar entitled "Basic Problems in Introducing, Improving and Developing the Moscow City Product Quality Control System" was held in the Center for Popularization of Science and Technology imeni F. E. Dzerzhinskiy. Those participating were representatives of the capital's industrial enterprises and scientific institutions, members of quality sections of technicaland-economic councils of rayon committees of the CPSU, and party and soviet officials. A number of problems related to further improvement of the KSUKP [comprehensive product quality control system] at enterprises and to improvement of their effectiveness were discussed. The seminar was organized at the initiative of the All-Russian "Znaniye" Society, the Center for Popularization of Science and Technology imeni F. E. Dzerzhinskiy, the All-Union Scientific Research Institute of Standardization of the State Committee for Standards, the Moscow Center for Standardization and Metrology, and the Moscow City Planning Commission. [Text] [Moscow MOSKOVSKAYA PRAVDA in Russian 26 May 83 p 2] 7045

SCRAP UTILIZATION--One of the most important tasks advanced by the 26th CPSU Congress and the November (1982) Plenum of the CPSU Central Committee is optimum use of the production potential that has been created and conservation of physical, labor and financial resources in every way. A scientific-practical conference entitled "Problems of Effective Use of Production Waste of ArSSR Light Industry," which has taken place in the republic Center for Technology, was devoted to this. The opening speech was presented by A. Gevorkyan, the republic's light industry minister. L. Yegiazaryan, first deputy minister of light industry, presented a paper entitled "On the Tasks of Reducing the Creation and Improving the Utilization of Production Waste in ArSSR Light Industry." He noted in particular that the ministry's enterprises are joining branchwide scientific research institutes and the Specialized Project Planning and Design Office in a systematic effort to reduce the materials intensiveness of the products produced, to reduce the formation of production scrap and waste and to make maximum use of it as raw materials for consumer goods. The standard rates of consumption of raw materials are being improved and revised annually in accordance with the assortment of finished products produced and

so as to take into account optimum rates of consumption of raw materials achieved in industry. Directors of six enterprises in the branch spoke about their experience in conservation of raw materials and supplies and also about using production scrap and waste. A. Arzumanyan, secretary of the Yerevan Party Gorkom, took part in the proceedings of the conference. [Text] [Yerevan KOMMUNIST in Russian 4 May 83 p 2] 7045

TUSSR TRADE--Trade is one of the most rapidly developing sectors of the TuSSR economy. In the 11th Five-Year Plan retail commodity sales in our republic are to increase 1.5-fold. The assortment of goods is being expanded, output is being increased, and the quality of many products is improving. New trade centers and up-to-date stores are being built and put into operation. In the first days of summer a wide selection of goods is being offered to the public by the work force of the trade sector. Refrigerators, electrical goods, and various housewares were presented at a sale-show in Ashkhabad by the republic's largest specialized store for housewares. A variety of goods are at the service of customers in the stores of the "Gulistan" shopping center. A specialized "Furniture" store in the center of Ashkhabad is getting ready to open after reconstruction. A. I. Rachkov, second secretary of the Turkmen CP Central Committee, familiarized himself with the organization of summer trade and with the show-sales of consumer goods on 2 June. [Text] [Ashkhabad TURKMEN-SKAYA ISKRA in Russian 3 Jun 83 p 1] 7045

NEW LAMPS—The Saransk association "Svetotekhnika" has put into production a new type of electric lamp which is more economical and has a longer life. The innovation has also brought about new conditions for production. In the assembly shop there is a modernized "Tisa" automatic production line created by the Hungarian firm "Tungsram." Its output is 5,000 lamps per hour. The line is attended by specialists trained in Budapest at a plant of the "Tungsram" firm. A start-to-finish team headed by Yu. I. Arikov, holder of the Order of Glory, Third Degree, has been created; it operates in two shifts under a single job order. [By D. Zolotkov] [Text] [Moscow SOVETSKAYA ROSSIYA in Russian 14 Jun 83 p 1] 7045

AUTOMATIC PRODUCTION LINE—A custom-made automatic production line has gone into operation at the Arzamas Confection Factory. This line is designed for volume production of sweets—oatmeal cookies, which are in great demand. For the first time in the country this product will be manufactured with highly mechanized equipment. All the operations will be performed now with practically no human involvement. The output of oatmeal cookies at the factory will immediately increase several times over. Up to 150 tons of them will be produced per year. It is notable that the production line was designed, developed and assembled by the enterprise's own production innovators. The economic benefit from application of the innovation is almost 20,000 rubles. [By V. Noskov] [Text] [Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 27 May 83 p. 2] 7045

PRODUCE IN FRUNZE--Soon the inhabitants of the capital of Kirghizia will have an opportunity to enjoy an excess of fruit and vegetables grown by the industrious hands of farmers in Osh Oblast. In place of the old Ala-Archa Market a shopping complex has sprung up called the "Osh Bazaar." Yesterday, which was

a Saturday, there was a particularly large crowd. Some 3,000 workers and employees of the city of Frunze went there to help the builders from 0sh deliver the structures as soon as possible. Back in December the place was bare, but today 12 beautiful buildings constructed in the oriental style have already been erected. Each of them is an outlet for one of the rayons of 0sh Oblast. They were built by the kolkhozes at their own expense and with their own manpower. And in those stores they will be selling their own produce. "The people of the city have given us a great deal of help," said S. Yunosov, team leader of the construction workers from the kolkhoz "Moskva" in Suzakskiy Rayon. "I would particularly like to note the crash effort made on Saturdays by the workers of the Agricultural Machine Plant imeni Frunze." The "Osh Bazaar" will receive its first customers on May Day. [By'V. Yurlov] [Text] [Moscow TRUD in Russian 17 Apr 83 p 2] 7045

POTATOES WANTED--Stores and procurement points of the republic's consumer cooperative system are buying standard food potatoes in unlimited quantities. Payment at negotiated prices. Comrade kolkhoz members, workers and employees! Sell surplus potatoes to procurement organizations of the republic's consumer cooperative system. Main Procurements Administration of Belorussian Union of Consumer Cooperatives. [Text] [Moscow SEL'SKAYA GAZETA in Russian 8 May 83 p 4] 7045

MECHANIZATION OF PRODUCE HANDLING -- Articles in LITERATURNAYA GAZETA on mechanization of labor at fruit and vegetable depots and on saving the vegetable and fruit crop were judged to be very topical by I. I. Kholod, deputy minister of the fruit and vegetable industry. "USSR Minplodoovoshchkhoz [Ministry of Fruit and Vegetable Industry] jointly with other ministries and departments is paying a great deal of attention to solving these problems," he said in response to the article by V. Stefanov entitled "To the Vegetable Depot!" (26 January 1983) and the editors' review of readers' letters entitled "The Example of Klaypeda and Kurgan" (9 March 1983). The Collegium of the USSR State Committee for Science and Technology, I. I. Kholod writes, took under consideration in February 1983 "the draft ... of a scientific-technical program for 1983-1990," prepared by scientists of Leningrad. The program is called "Improvement of the Preservation of Fruit and Vegetables, Raising the Level of Mechanization and Automation of Production Processes, and Perfecting Management of the Enterprises of the Main Administration for Fruit and Vegetable Industry of the Leningrad City Committee." "Organizations and enterprises of 12 ministries and departments" will take part in carrying out this program, which has already been approved, the deputy minister of the USSR fruit and vegetable industry reported. The experience of the people of Leningrad, who have put forth a long-range program for efforts to preserve fruit and vegetables, will be utilized in other cities as well, it was said in the response. [Text] [Moscow LITERATURNAYA GAZETA in Russian No 19, 11 May 83 p 14] 7045

FRUNZE COOKIES--Before people living in Cholpon-Ata buy cookies, they ask where they have come from. If they have come from the Ukraine, they take them without reflection. If from the Frunze Confection Production Association, they inspect and examine them and often go away without buying anything. It is easy to understand the customers: the Ukrainian sweets are tastier. But

why, exactly? After all, often they are made according to the same recipes and from exactly the same products. [By P. Lonshakov] [Text] [Frunze SO-VETSKAYA KIRGIZIYA in Russian 11 May 83 p 2] 7045

TRADE SECTOR KOMSOMOL--At enterprises in trade, the food service industry, the consumer service sector, transportation, communications and health care of Moldavia more than 2,000 Komsomol-youth collectives have been created. There are more than 50,000 Komsomol members working in them. These facts were presented at a plenum of the Moldavian Komsomol Central Committee held in Kishinev on 14 June, which discussed the question of participation of Komsomol organizations in the further rise of the level of performance of the sphere serving the population and the trade sector in the light of the decisions of the 26th CPSU Congress. V. V. Babyy, first secretary of the Moldavian Komsomol Central Committee, and other speakers spoke about how the youth collectives operating under the slogan "We Guarantee a High Level of Customer Service to the Soviet Citizen" are making a large contribution to fulfillment of plans and socialist obligations, to performing the tasks of improving the forms and methods of serving the public, and to raising the level of customer service in the trade sector. At the same time it was noted at the plenum that Komsomol organizations are not as yet doing enough to develop the activity of young people and to guide young men and women to jobs in the service sphere. The movement entitled "Made Perfectly and Sold Perfectly" needs to be developed further. V. K. Vyshku, deputy chairman of the MSSR Council of Ministers, A. P. Balan, chief of the division for youth in light industry and the service sphere of the Komsomol Central Committee, and V. A. Krivosheyev, organizer in chief of the Komsomol Central Committee, took part in the proceedings of the plenum. B. N. Savochko, secretary of the Moldavian CP Central Committee, spoke at the plenum. [Text] [Kishinev SOVETSKAYA MOLDAVIYA in Russian 17 Jun 83 p 2] 7045

CSO: 1827/256

#### HOUSING AND PERSONAL SERVICES

PUBLIC WELFARE, DEVELOPMENT OF SOCIALIST SOCIETY DISCUSSED

Moscow EKONOMICHESKIYE NAUKI in Russian No 5, May 83 pp 18-24

[Article by V. Lion, docent, candidate in economic sciences (City of Vladimir): "The Fund for the Material Welfare and Comprehensive Development of the Members of Socialist Society"]

Text] In recent years attempts to find a quantitative expression for the basic economic law have become quite widespread in the literature. However, no unity of opinion has been achieved in the question of the form of the product which expresses the goal of socialist production. Some economists recognize the gross social product as the material and physical expression of the goal of socialist production, others-national income (the net product), still others-the surplus product, and yet others-the necessary product and, finally,--the net income of society and so forth. I believe that in order to correctly reply to this question the range of needs which characterize the goal of production has to be clearly defined.

The classics of Marxism-Leninism revealed the methodological criterion for the determination of the needs on whose basis the material expression of the goal of socialist production can be brought to light. The latter will be subordinated to the task of "providing all the members of society with the means for existence and for the free development of their capacities, and, moreover, on an ever rising scale." V. I. Lenin pointed to the specific measure of the satisfaction of the needs of the members of communist society: the provision of the "full welfare and free comprehensive development of all of the members of society." Our economic policy is subordinated to the highest goal of socialist production, and the decisions of the 25th and 26th CPSU Congresses and of the plenums of the party's Central Committee are directed toward its realization.

in our opinion, only a part of the product is the material bearer of the goal of socialist production, and it is namely that part which is directly connected with providing for the total welfare and comprehensive development of the individual and which embodies the fund for the material welfare and comprehensive development of the members of society. As has already been noted in certain works, a study of this fund has to occupy an important place in the political economy of socialism. It should be emphasized that there are no grounds for denying the independent existence of this fund because the vital means fund allegedly figures here under another name. The fact of the matter is that

the latter represents a general economic category which cannot express the specific nature of socialism.

The establishment of the specific form of the necessary product in socialist society is the point of departure for characterizing the fund for the welfare and comprehensive development of the members of socialist society.

We agree with the opinion of the economists who believe that the criterion for dividing the net product into the necessary and surplus products is the demarcation of "needs into personal and social ones." As the direct expression of the necessary product the personal consumption fund of socialist society is the material basis of the fund for the welfare and comprehensive development of all of the members of society. If the necessary product expresses the deep essence of social production, then the welfare fund at the level of production is the specific communist form of its manifestation. In examining the process of social production at a high level of abstraction one can proceed from the coincidence of these categories. With this approach the fund for the welfare and development of the individual appears not as the result of the distribution of national income, but as an essential characteristic of the proportions of social production and a direct result of its given structure.

in socialist society all of the branches and enterprises are united into an integral economic organism. All of the members of society become workers in collective production, and the personal labor of each is a direct part of total social labor. Under these conditions, the division of labor into necessary and surplus labor is carried out on the level of the entire economy as a whole, and in relation to the productive labor of an aggregate worker. "Just as the labor of the individual worker," K. Marx wrote, "breaks up into necessary in laurplus labor, so the aggregate labor of the working class can be divided in unch a way that the part which produces the means of existence for the entire working class (including here the necessary means of production) performs netwary labor for all of society. The labor which is performed by the entire remaining part of the working class can be regarded as surplus labor." Therefore, the objective basis for demarcating labor into necessary and surplus labor is defined by the basic economic law of socialism in application to the conditions of the reproduction of the aggregate labor power of socialist society.

The accordance with this law, a determination is made of the optimal structure of economic proportions which is required for the fullest satisfaction of the material and spiritual needs of people, and the average magnitude of the fund for the welfare and comprehensive development of the individual around which the actual amount of this fund in application to individual categories of workers in different labor collectives fluctuates is given. Under the influence of a number of economic factors (in particular, such as the quantity and quality of labor, its results, working and living conditions, and so forth) the latter is directly determined by the economic laws of the phase of distribution.

Naturally, the fund for the welfare and development of the individual cannot reduced solely to the necessary product. From the material-physical point of view, it represents the aggregate of material goods and services which embody

a definite quantity of the necessary and a part of the surplus labor and product and which are designated for the personal consumption of all of the members of society and for the creation of favorable living conditions for them, in contrast to the other part of the surplus product which is used to meet production needs. In our opinion, the fund for the welfare and development of the individual should be defined as a part of the net product which has the task at satisfying the following needs of workers and their family members: 1) food, tootwear, clothing, and housing, or, put differently, the diverse consumer and cultural and household articles; 2) education, training, the acquisition words training; 3) health protection, an improvement of working conditions, social security; 4) social and cultural and spiritual development, and the rational use of free time. The issue here is always a qualitative characterization of the aggregate of these needs, and not its quantitative measure. The latter is determined by production and its laws, and it is this which regulates the amount of the fund for the welfare and development of the individual.

V, an economic category the welfare and individual development fund expresses the relationships of cooperation and mutual assistance in society as a whole, between collectives of workers and individual workers, and between all of the members of society with regard to the production, distribution, exchange, and remsumption of that part of the gross product which directly serves the realizathe of the highest goal of social production. The final formation of the . Hare fund is achieved in the process of the distribution and redistribution national income after the deduction from it of production accumulations plus the net services of those non-production branches which directly provide for the comprehensive development of the individual. This fund includes, first, the products of the personal current consumption of the population (both of Individual and of joint use), including the material expenditures of the nonproduction sphere. Second, consumption articles which are used for the replacement of decommissioned non-production capital, and for its capital repairs of growth. According to the statistics, an increase in non-production capital is achieved on the basis of the non-production accumulations fund. However, from the point of view of the reproduction of the gross social product (and put ut social wealth) an increase in non-production capital is related not in production accumulations, but to the consumption fund (such as durable artiin the strong with which it forms the overall consumption fund and characterizes the material resources which have been created and which are subject to distribut ion during the current period. Third, the welfare fund also includes a definite amount of services which are used for the maintenance of the life ind for the comprehensive development of man.

in order to determine the sources for the formation and the role of the non-production sphere in the creation of the welfare fund it is necessary, obviously, to divide the entire mass of services provided by it into two groups: social services (to satisfy the common needs of people) and personal services.8

similar services satisfy the non-production needs of society for state administration, the defense of the country, the protection of public order, for the services of the sphere of monetary and commodity distribution (with regard to

expenditures for net distribution costs), the development of science, the activities of public organizations, and so forth. Not all of these elements are homogeneous from the point of view of achieving society's highest goal. Some (science, economic management, and so forth) exercise an active influence on the development of the productive forces and, in the final analysis, promote an increase in the measure of welfare. Others, while necessary for society (defense, state administration) do not have a direct relationship to the creation of the welfare fund which, of course, has to be considered in determining its quantitative expression.

The surplus product is the source for non-productive consumption (social services). In contrast to the social ones, personal services (education, health care, and so forth) are directly connected with personal consumption, and with the reproduction of labor power. Along with material goods they make up the fund for the welfare and comprehensive development of the members of society. The necessary product, and also a part of the surplus product are the source for the consumption of the personal services of the workers. The necessary product is the basis for satisfying the needs not only of the workers of material production, but also of the producers of the personal services which are rendered to productive workers. The surplus product is the source for satisfying the needs of both the workers of the sphere of social services and of the producers of personal services in the amount of the social services provided to workers.

The source for satisfying the needs of the workers and of their families must, of course, receive a definite quantitative expression.

With the generally accepted procedure for calculating nominal income, first a calculation is made of the total amount of all individual income obtained both in the form of wages and of pensions, aid, stipends, income from subsidiary tirming, and so forth. Then, taxes and payments to the financial system and savings are excluded from the amount obtained. Along with this, in order to avoid a repeat count, all of the population's expenditures connected with the payment for services are also excluded. On the other hand, the amount of income has added to it the expenditures of institutions and organizations which perform free social and cultural and everyday services for the population. However, until to avoid a repeat count, they are counted here not fully, but only in the amount of material expenditures. Practically speaking, this is equivalent to the exclusion of services from the fund for the welfare and comprehensive development of the individual, and to abstracting from the positive content of the results of the labor of the workers of the non-material sphere their participation in the creation of use values.

In the past when the share of services in the population's consumption was negligible this kind of indicator of income was able to serve as the basic generalizing characterization of the level of consumption. But as the share and importance of the non-production sphere in the satisfaction of the population's needs has grown it has been becoming less and less suitable for this role.

the problem arises of computing the kind of indicator of nominal income which, along with the consumption of material goods, would take account of all of the corresponding expenditures of live and embodied labor. Two diametrically opposed approaches to its solution have appeared.

dertain economists, for example, D. V. Rakitskiy, V. A. Medvedev, and a number of others, come to a conclusion regarding the productive character of the workers in the sphere of spiritual production who provide for the process of the reproduction of labor power. They believe that the labor of these workers creates value, national income, and even the necessary and surplus product. It this logic is followed, it must obviously turn out that the sphere of non-material production is able to develop not on the basis of material production, but on its own basis, since it itself creates new value and the necessary and surplus products. It seems to us that this kind of approach is incorrect and is a step backwards to the discussions of previous years during which methodologically more acceptable solutions were found. Let us point in this connection to two arguments.

First of all, the consideration of value as relationships in the sphere of material production is, as is known, one of the fundamental methodological propositions of Marxist economic science. This appraoch reflects the primacy of material production in relation to other types of activity and, in particular, the fact that an expansion of non-production branches is a given from the level of labor productivity which has been attained in material production.

reate the fund from which they are paid, although their labor is a part of the production costs of that fund which in general creates all values, namely, the costs of the production of labor power."

The income which is received by workers who are employed in this kind of labor is derivative, income which is formed in the distribution and redistribution of primary income; that is, that income which has been created by the labor of the workers of material production.

In addition to this, under socialism the exclusion of free services from the vital means fund leads to an understatement of the amount of income and to its incomparability with the income of the populations of capitalist countries, and distorts the structure of the fund for the welfare and comprehensive development of the individual.

in our view, the most valid solution of the above problem was given for the first time by the collective of the Scientific Research Institute of Labor in the work "Methodological Problems of a Study of the Workers' Standard of Living" (edited by Yu. I. Pisarev, Moscow, 1962). The method for computing the population's real income which is put forward here by Ye. Kapustin, A. Karapetyan, B. Paravdin, N. Rimashevskaya, S. Figurnov, and other authors is based on a denial of the equality of national income (more precisely, the consumption fund) and the total final income of the citizens of the country. The same conception has been adopted by a number of other economists. True, there are certain terminological disagreements among them. Some believe it

is possible to preserve the term "real income" without change, while others refine it, introducing the indicator "real income--brutto," in contrast to "real income--netto." A number of economists propose giving the latter indicator a new designation; for example, the "total amount of consumption," "the population's total income fund," "society's social consumption fund," and so forth. 12 It appears to me that such terminological searches are groundless. They obviate themselves if one proceeds from the fact that there exists a fund for the welfare and comprehensive development of the individual in which not only material goods, but also services are embodied.

Indeed, the formation of the consumption fund takes place in the process of the distribution of national income which is created by the labor of the workers of material production. In its physical expression, national income (including the consumption fund) consists exclusively of goods of a material character which are not necessarily invested in a material form (electric energy, freight hauls) but which always have the material substance. However, the mass of vital means which comes into consumption is not limited solely to goods of a material character, but includes the consumption of all kinds of services which are the result of the labor of workers employed in the non-material sphere. It is completely clear that the work of a doctor or teacher is no less important and necessary for raising the standard of living of every family than the work of a weaver or a tailor. The non-production branches do not create any kind of material output; however, the result of their work is services which have use values. K. Marx wrote about this: " . . . the special use value of this labor (of one employed in the service sphere--V. L.) has received the specific name here of 'services' because the labor provides services not as a thing, 

Since in contrast to the consumption fund as a part of national income, the fund for the welfare and comprehensive development of the individual includes not only material goods but also services, it is justifiable to reply to the questions: is the unification of material goods and services correct?; and what is the basis of this unification? For as a result of non-productive labor services do not have value. It must not, however, be forgotten that under the conditions of commodity production services, along with ordinary commodities, have a price and, consequently, are bought and sold for money. For this reason, k. Marx regarded it as possible to use a value evaluation to express the full amount of a population's vital means as the total of the prices of goods and services. "At every given moment," he wrote, "among consumer articles and along with consumer articles which exist in the form of commodities there is a certain quantity of consumer articles in the form of services. Thus, the total amount of consumer articles always proves to be larger than what it was in the absence of services which are suitable for consumption. And, secondly, the value also proves to be larger, since it is equal to the value of the commodities which support these services, and to the value of the services themselves."14 It follows from this that services have to be evaluated fully in the amount of their production costs and in this way considered in the final income of the population, and in the fund for the welfare and comprehensive development of the individual.

This methodology of computing the fund for the welfare and comprehensive development of the individual presupposes a couble count of the wages of the workers employed in the sphere of services and leads to the fact that the vital means fund turns out to be larger than the consumption fund in national income by the amount of the wages of the workers who provide services. But this double yount is not merely a statistical fiction. In reality, if a doctor and teacher in exchange for wages present services, then the result proves to be a real impresse flet us assume, a doubling) of the amount of material and spiritual roads which are consumed by society. A double count is not created in the process of consumption itself, since in addition to the consumption of material greats (food, clothing, and so forth) a population also consumes the services at the sphere of services. The non-material services of the sphere of services the trace the amount of consumption in the same way that material services (transportation, communications, and so forth) increase the amount of material productime. This occurs because the workers of the sphere of services do not simply wist at the cost of productive workers, but, in their turn, supply them with I definite quantity of use values which go into their consumption fund. Insofar is the total mass of labor which is directed toward the immediate satisfaction is the material and cultural needs of a people is substantially larger than the productive labor of the workers of the material sphere, the fund for the larly and comprehensive development of the individual as a reflection of all of the results of labor (regardless of whether it has the form of a thing of intivity) it is also always larger than the consumption fund in national 1/8 - 1/1/4 ...

I thit it recognition of the necessity for taking account of the full amount of material goods and services for a quantitative characterization of the standard of living of the population is the fact that for a number of years now planning igenities have been calculating the indicator of the total amount of the consumption of goods and services. 15 However, it has not received an extensive practotal application. In addition, in our opinion, the evaluation of services in this indicator is somewhat understated on account of the fact that their where in the social consumption funds is not taken into account in society's expenditures for the maintenance of the workers of the sphere of services. this, speaks about the fact that the problem of a quantitative evaluation of missions which is connected with the method of calculating them has not yet From the point of view of methodology, this question should, in our opinion, be regarded with a view toward the fact that paid and free articles have to be reflected in the welfare fund and real income in the full imignt of the costs of producing them. "How is the price of these services determined. . . . " K. Marx wrote, "to what degree is it regulated by the laws of wiges, and to what degree does it deviate from them--all of these questions thould be examined in a study of wages. . . . . . . . . Thus, K. Marx had apparently given it to be understood that at the basis of the price of services (of course, illing with material expenditures) there is the wages of the workers of the sphere of services, that is, the price of the services is equal to the costs nt producing them.

In order for the price of a service to reflect real expenditures with sufficient fullness, it has to include not only the expenditures for material means and

for the payment of the labor of workers, but also a definite "additional count" in amounts which ensure the formation of the corresponding part of the social consumption funds for the producers of services, and also for the part of expenditures for economic management capital repairs, and capital construction which are relegated to a given branch.

Note is taken in the economic literature of the incomparability of the evaluations of individual types of services. The fact is that paid services are evaluated in accordance with the receipts of enterprises, including profits, and free ones according to known expenditures. For this reason, various methods of "evaluating" free services to the level of paid ones are proposed. In principle, this kind of idea does not give rise to objections. But it is important to decide which theoretical principles are at the basis of the calculations and toward what end the latter are performed. In our opinion, the attempt here to take as a basis the theoretical proposition that surplus labor exists in the non-production sphere (analogously to material production) is, to say the least, very debatable. The addition of a possible part of the surplus product to costs in the evaluation of free services does not reflect the real economic relationships which take shape on the ground of an exchange of personal services for income. For the exchange of activity between the sphere of material production and the sphere of services comprises, to use the terms of political economy, a process of so-called secondary distribution. The division of live labor into necessary and surplus labor and the existence of surplus labor in branches which provide services for the population would not increase the amount of net services by a single iota. It would appear justified to conclude that it one is speaking about the evaluation of personal services from the point of view of the reproduction of the welfare fund, they are justifiably taken into account in the amount of the economic costs of the production of the services.

We believe that the question has to be decided differently if we are speaking about determining the social and economic effectiveness of socialist production. Here, in our view, an "evaluation" of the monetary expression of these services to the amount of their value with the inclusion of conventional profits is justified. In addition, the point of departure should obviously be that an increase in the efficiency of material production along with an increase in labor productivity creates a specific effect in the form of freeing some of the workers for non-production activities. This effect can be evaluated through the increase in the net product which would be created with the given labor productivity level of the workers of the non-production sphere had they remained in material production.

Let us emphasize that a determination of this additional increase is not in itself evaluation of services; it, however, is suitable for disclosing the conventional "effect" of the release of labor into the non-production sphere as a specific result of production and can be used in attempts to calculate the amount of the welfare fund. Let us note here that net services are to be evaluated, since material expenditures have already gone into the consumption fund.

In addition to the consumption fund and the amount of personal services which have been created in a given year for current consumption, we believe it is

justified to also include fixed non-productive capital in the amount of their innual increase in the overall composition of the fund for the welfare and comprehensive development of the individual. With regard to these considerations, a calculation of this fund is presented in the table.

Amount and Structure of the Fund for the Welfare and Comprehensive Development of the Individuals in Society, Billions of Rubles\*

Years	National Income	Consumption Fund	Increase in Non- productive Capital	Consumption Fund including Non-production Accumulations	Evaluation of the Effect of Releasing Labo to the Non- Production Sphere
1960	145.0	104.5	9.6	114.1	29.7
1965	193.0	146.3	10.4	150.7	48.9
1970	289.6	201.3	19.9	221.2	85.9
1975	363.3	266.4	22.4	288.8	119.9
1980	454.1	345.5	29.0	374.5	160.1

		Welfare Fund		
6 f *s	Evaluation of Net Services	Including Evaluation of the Effect of Re- leasing Labor to the Non-Production Sphere	Including Evaluation of Net Services	
1960	18.1	143.8	132.2	
1955	28.1	199.6	178.8	
1970	49.3	307.1	270.5	
1975	56.9	408.7	355.7	
1 #80	88.1	534.6	462.6	

"USSR Economy in 1972," Moscow, 1973, pp 54 '02, 532-533; "USSR training in 1975," Moscow, 1976, pp 555-556; "USSR Economy in 1980," Moscow, 1981, pp 356, 357; "USSR Economy in 1922-1982." Anniversary Statistical resibook, Moscow, 1982, pp 68, 418. The evaluation of net services was performed in accordance with the method of economic comparisons: the amount of national mome per worker in material production multiplied by the number of workers in the non-production sphere (the number of people employed in the various spheres of the economy was determined according to the methods proposed by independent product norm in material production (the surplus product norm for 1960 was adopted on the basis of the data of F. Sitaryan, and in subsequent years on the basis of the calculations of T. Matislavskiy).

The data in the table show that in 1980 the welfare fund was greater than the amount of national income by 8.5 billion rubles, and of the consumption fund by 117.1 billion rubles. At the present time these magnitudes (like the welfare fund itself) are not reflected in the consumption resources and the real income of the population, which substantially diminishes their amount. It would seem necessary to introduce to the system of the indicators of the economic plan the fund for the welfare and comprehensive development of the members of society as a generalizing characterization of the highest result of socialist production.

By comparing the structure and movement of the welfare fund for the years 1960-1980 one can see that its total amount grows more rapidly than national income and than the consumption fund. With an increase of 3.1 times in national income during this period and of 3.3 times in the consumption fund, the fund for the welfare and comprehensive development of the members of socialist society which represents the total of the social product and of the net services of the branches of the non-production sphere increased by 3.5 times. In addition, definite changes occurred in its structure: the proportion of the consumption fund decreased from 79 percent in 1960 to 74.6 percent in 1980; the proportion of non-production accumulations did not change materially; and the share of net services increased from 13.7 to 19 percent. All of this testilles to progressive changes in the economic and social structure of society which are directed not only toward the satisfaction of material needs, but also toward strengthening the importance of the factors which are connected with providing for the comprehensive development of the members of society. The management by the state of an improvement of public welfare presupposes not only the planning of the fund for the welfare and comprehensive development of the individual, but also a certain regulation of the income which takes form in individual families. For this reason, the fund for the welfare and comprehensive development of the individual has to be comparable to the total of the full income of all workers' families. At the present time two balance models are used for analyzing and planning the standard of living: the balance of the population's monetary income and expenditures, and the individual consumption budget which, in addition to monetary income, includes natural income and consumption. In addition, the social consumption funds and the total immount of goods and services consumed by the population are calculated separmaly. 17 It is necessary to unite the results of these individual calculations into a single balance model of income and consumption. The calculated indicator of full income as the total of all of the primary and secondary income obtained by the population during some period makes it possible to compare it with the find for the welfare and comprehensive development of the individual which It. expressed in the total amount of the population's consumption of material and ultural goods, and also to determine the share of wages and of the social consumption funds in families with different material levels and to characterize the standard of living of Soviet people most fully.

# FOOTNOTES

. . . Marx and F. Engels, "Works," Second Edition, Vol 20, p 154.

- 2. V. I. Lenin, "Complete Works," Vol 6, p 232.
- 3. V. N. Cherkovets has written about the necessity for distinguishing the fund for the material welfare and comprehensive development of the members of society as an independent category ("Problems of Developed Socialism in Political Economy," Moscow, 1977, p 78). This fund as an independent category has been especially studied by A. A. Sergeyev ("The Basic Law of Socialism," Moscow, 1978, pp 235-245). The above point of view has been expressed by us ("Social Homogeneity and the Freedom of the Individual in Developed Socialist Society," Evanovo, 1978, pp 33-54); see also:
  G. I. Latysheva, "The Basic Relationship and the Highest Goal of Social Production," Moscow, 1981, pp 68-82.
- .. M. P. Osat'ko, "The Necessary and the Surplus Product Under Socialism," Moscow, 1962, pp 146-147.
- K. Marx and F. Engels, "Works," Second Edition, Vol 25, Part II, p 182.
- b. Net services are understood to be expenditures of only live labor in the sphere of services, excluding the value of the material expenditures which are taken into account in the consumption fund.
- In our opinion it is precisely as an expression of consumption that this indicator was considered in the materials of the 26th CPSU Congress which stated: "Four-fifths of national income is used directly for the consumption of the population and for housing and social and cultural construction" ("Materials of the 26th CPSU Congress," Moscow, 1981, p 132).
- 8. In addition, we are abstracting from the services which are provided to material production (transportation, communications, and so forth), and also from the material services to the population which are connected with the production and reproduction of consumer articles and which are relegated by statistics to the production sphere.
- 8. V. Rakitskiy, "The Social Consumption Funds as an Economic Category," Moscow, 1966; V. A. Medvedev, "Social Reproduction and the Sphere of Services," Moscow, 1968; Ye. Gromov, "The Economic Role of the Sphere of Service," MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 8, 1967, and others.
- 10. K. Marx and F. Engels, op. cit., Vol. 26, Part I, p 150.
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# INTERNATIONAL TRADE UNION SEMINAR MEETS IN MOLDAVIA

Kishinev SOVETSKAYA MOLDAVIYA in Russian 12 Jun 83 p 3

Percet from Moldavian news service: "Participants of International Seminar in Moldavia"

Text] Participants in the international trade union seminar on "Scientific-Technical Progress and Social Working Conditions in the Furniture and Wood-working Industry", which was held in Moscow, are in the republic. Representatives of the International Labor Organization and trade union activists from Austria, the GDR, Spain, Italy, Portugal, Finland, Czechoslovakia and Japan held talks with the Moldavian Republic Trade Union Council, and visited the Kodry Furniture and Woodworking Combine in Kishinev and Furniture Factory No 5 in Tiraspol', where they became familiar with the activities of the trade union committees on overall improvement of working conditions, everyday life and leisure time of the workers.

"Soviet trade unions possess broad rights and opportunities to take part in all spheres of social and state life in the country," declared Joachin Jordan Mirabet, general secretary of the working commissions of Spanish furniture industry workers, in an interview with ATEM correspondent B. Gredinar: "And this is understandable, since in the USSR the power belongs to the workers. All the efforts of the Soviet state are directed toward improving their well-being. We were once again convinced of this after visiting the enterprises of Moldavia, where good working conditions and leisure time have been established for the workers. Especially worthy of attention is the environment for the younger generation here; indeed, children are the only priveleged class in the USSR."

"The Spanish trade union has to solve different problems altogether. In the present economic crisis of the capitalist system, unemployment has become a genuine scourge for our workers. Women especially suffer from it, and are constantly subjected to discrimination. They are the first to be dismissed from their jobs. Under these conditions the primary task of the Spanish trade unions is to strengthen the workers' solidarity in the struggle with the exploiters."

"The uniting of the international trade union movement facilitates frequent and close contact," notes Hubert Wipplinger, deputy chairman of the central board of the trade union for workers in the Austrian construction and wood-working industry, and vice-president of the workers' chamber in that country.

"This was convincingly demonstrated at the Seminar in Moscow, where the participants were given the opportunity to exchange opinions on a number of the problems of protecting and improving working conditions, and to work out the directions for the common struggle of the workers of the various countries for their rights. Cooperation with the Soviet trade unions is playing an important role in improving our activity. We are in favor of expanding and strengthening such contacts."

"At the present stage, one of the main tasks for trade unions is the struggle for peace," stressed Isamu Kawai, chairman of the trade union for workers in Japan's timber industry (Dzenrin'ya). "Our country has had first-hand experience with the destructive effects of an atomic weapon. Now a new danger is hanging over Japan. The Reagan administration wants to turn it into an unsinkable nuclear aircraft carrier for the Pentagon. But the Japanese people are filled with the determination to not allow this to take place—in witness of which are the numerous antiwar meetings which have taken place this year in Tokyo, Hiromhima, Osaka and other cities. We call upon all people of good will to unite their efforts in the struggle for universal disarmament and preservation of peace on earth."

9000

GARMENT PLANTS STILL IGNORE CONSUMER NEEDS, EDITORIAL COMPLAINS

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 20 May 83 p 1

[Editorial: "Quality of Goods"]

[Text] Sections of the national economy which provide the population with consumer goods—garments, shoes, plates and dishes, furniture, TVs, refrigerators and so,—are now working under special conditions. The state trade as a rule provides a wide choice of different manufactured goods. A consumer shops not only for necessities, but first of all for modern and sturdy items. Industry and trade workers have to take this into consideration. "Our task is," says Yu. V. Andropov, General Secretary of the CC CPSU at the November Plenum of the CC CPSU (1982),—"not only to increase production but to make consumer goods of much higher quality."

Many production collectives soon enough realized the growing requirements of the consumer and took measures necessary to increase production of beautiful and practical articles in high demand. It should be noted that besides collectives that have been providing high quality manufactured articles for a long time, there appeared new enterprises also starting to produce high quality articles and who never before attracted the consumers' attention.

Why are these collectives successful? First of all, of course, it is research, and then based on it, forecasting the demand, ability to react quickly to changes in fashion and consumer demands. Many consumers are familiar with the garments of the Dmitrov clothes factory "Yunost" near Moscow. Colorful light jackets from "lake" fabric, overalls, different kinds of garments with beautiful leather trimmings, different fabrics or fur are very popular and sell like hot cakes. Workers of the Dmitrov clothes factory are regular visitors at the famous children's store "Detsky Mir." Together with sales people and goods managers they watch sales of their products and make customer surveys. As a result of this, manufactured articles of the highest quality constitute almost 60 percent.

Active participation of working collectives in management, the ability to introduce rapidly new products, changing and expanding the variety of goods, mastering modern technological processes and new materials, utilizing contract prices correctly to encourage creative potential of the collective—have provided success to the Kupavino fine-cloth factory, "Kievlyanka" knitted goods factory, "Lyaliya" Vilnus production-sewing complex and many others.

Much good has been and continues to be accomplished. And still we have to state openly that branches producing consumer goods are so far unable to keep up with consumers' demands. The working people sometimes cannot find many things that meet their tastes in stores. This is indicated, in part, by the editorial mail.

"Why are there no more of sheepskin caps with ear-flaps?", asks N. Snovalkin, a worker of Magnitogorsk metallurgical complex. "Instead there are plenty of mink and beaver articles. Does it mean that sheep have disappeared at all state and collective farms and they raise only fur-bearing animals?" "Warm underwear has not been on sale for several years already," says R. Baiburin from Sterlitamak. A. Krivtsova from Novokuznetsk, I. Smirnov, war and labor veteran from Furmanov city of Ivanov Oblast complain that it is difficult to buy just the ordinary "valenki" [felt boots]. There are many complaints relating to the quality and variety of overcoats, especially of winter and autumn coats.

Signs of concern from readers are confirmed by information from the enterprises and trade organizations. Various manufactured articles valued at 10 million rubles which have no demand are stored at the Novoshakhtinsk sewing factory. Only 80 percent of the production plan has been realized. The siles rates decreased in comparison with the previous year by 10 percent. Unmarketable goods valued at 4 million rubles have accumulated at the Birobidzhansk sewing factory. Baku and Yerevan worsted factories are changing over very slowly to the production of a new variety of goods.

The main reason for this situation is that leaders of some enterprises, --artists, designers and patternmakers do not consider the consumers' demands, do not follow tastes changes and consumers' demands. For example, traditional thick overcoats have already been unfashionable for several years. Even some not so young customers prefer light short coats of waterproof fabric with removable artificial fur lining, and sports jackets of artificial leather. Sewing industry workers, however, continue to produce unmarketable articles on a mass scale.

Some enterprises manufacture the same articles for years and do not care whether the consumer likes them. The Andizhan knitted goods factory imeni 50th anniversary of the VLKSM [Leninist Young Communist League] in Uzbekistan introduced only 3.5 percent of new items in the variety of the articles during the last year. The average figure of new articles for the whole branch of industry is 40 percent. The Kirovbakan knitted goods factory imeni Kamo produced last year only 5 percent of their manufactured articles with index "N." There is no doubt that with this kind of attitude to business it is difficult to expect a positive response on the part of the consumer.

It is not enough to create modern styles in order to manufacture good garments. It is necessary to have good leather, fabrics, furniture. Manufacture of modern fiber and modern color fabrics requires not only flax, cotton and wold but good synthetic fibers, colorful and stable dyes. Some years are apprentition of cooperating enterprises named after a famous movement in the 30s, "Dogovor Tysyach" [Consensus of thousands] came into being. The

workers of light industry joined this movement actively. Unfortunately, some enterprises do not pay due attention to this form of competition. Chemists break this agreement particularly often. Evidently it is time to reconsider how to reorganize relationship in the chain of cooperating enterprises, to find and introduce an incentive system that could stimulate all links to accomplish the final goal—to meet requirements of the working people.

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NEW PROCEDURE ESTABLISHED FOR DETERMINING SPECIFICATIONS ON CONSUMER GOODS

Moscow EKONOMICHESKAYA GAZETA in Russian No 23, Jun 83 p 4

[Summary of interview with Gosstandart [State Committee for Standards] Deputy Chairman Igor' Ivanovich Isayev: "Our Interview: New Procedure of Formulating and Ratifying Specifications on Consumer Goods"]

[Text] The CPSU Central Committee and USSR Council of Ministers decree entitled "On Additional Measures to Improve Supply of Consumer Goods to the General Public in 1983-1985" instructs Gosstandart to adopt, jointly with the ministries and agencies, additional measures to simplify the procedure of preparing and ratifying technical standards documentation on goods. Gosstandart Deputy Chairman Igor' Ivanovich Isayev discussed these measures in an interview with an EKONOMICHESKAYA GAZETA correspondent.

Pursuant to the adopted decision, the independence of enterprises in setting up production of new, particularly very simple product items, is being additionally expanded.

Gosstandart, together with the ministries and agencies, had already been working in this direction. Changes in the basic GOSTs which specify the procedure of preparation, reconciliation, and ratification of technical standards documentation were recently adopted toward this end.

In particular, formulation of preliminary specifications for the simplest product items as well as for goods manufactured on the basis of models, was eliminated as a requirement. In the past it was necessary to collect (in a manner specified by the ministry) several signatures from each coordinating organization on draft specifications; now a single signature is sufficient.

The fact that 15 days are now specified for reaching agreement on specifications is of importance. Two weeks is sufficient because the process of reaching agreement is carried out simultaneously in all organizations involved. Previously a document would be passed like a relay baton from one authority to another.

Regulations prescribed drawing up specifications on products which were already being manufactured at enterprises of other branches. The fact that

specifications had been ratified by ministries and agencies was ignored. The former procedure has been abolished. Existing specifications may be utilized, regardless of the ministerial affiliation of enterprises.

Enterprises and executive committees of kray, oblast, and city soviets are now authorized to approve specifications on product items of highly simple design, responsibility of the manufacture of which has not been assigned to ministries and agencies.

It also sometimes happens that no standards or specifications, approved according to the established procedure, exist on some product items made of local raw materials or of production waste materials. In these cases enterprises of republic ministries and agencies, as well as consumer cooperatives may now themselves draw up specifications. The deadline for preparing specifications for submission for government registration has been reduced from 2 months to 1 month.

We must state that branch ministries still frequently fail to follow the altered procedure of preparation and ratification of technical standards documentation. As a result enterprises frequently continue excessively to complicate the procedure of movement of documentation, with an increase in the number of officials signing documents. Even in those ministries where it would seem that the simplified procedure has been adopted, documents are delayed month on end due to the great number of intraagency reconciliation and agreement procedures. This was the conclusion reached in selective inspections conducted by Gosstandart at enterprises of USSR Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], Minlegprom [Ministry of Light Industry], Minkhimprom [Ministry of Chemical Industry] and certain other ministries.

It took more than 7 months, for example, to reach agreement on specifications entitled "Knitwear Products of Production Waste Materials," drawn up by the scientific research laboratory of USSR Minlegprom. It took more than 6 months to process specifications for a child's two-wheeled bicycle within the Belorussian SSR Ministry of Local Industry system. It took 9 months for a similar document on wool-and-cotton jacquard rep coverlets within the RSFSR Ministry of Local Industry system.

We could also cite other examples of lengthy periods of a complicated process of reaching agreements.

For this reason Gosstandart has instructed its territorial agencies once again to acquaint enterprises and organizations with the simplified procedure of reaching agreement and ratifying technical standards documentation, to monitor its observance on a regular basis and to settle locally the overwhelming majority of problems which arise.

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### BRIEFS

STATE COMMITTEE LOWERS PRICES.—The USSR State Committee on Prices, in accordance with instructions from the USSR Council of Ministers for lowering state retail prices for certain consumer goods, has approved a new price catalog which takes effect on 25 April 1983. This price list envisages reduction of retail prices for: Astrakhan collars, by 20 per cent on the average; mink collars, by 35 per cent. Correspondingly, retail prices have declined by 21 per cent for women's winter coats with mink collars, and by an average of seven per cent for men's coats with Astrakhan collars. For pure wool printed shawls, prices have declined by 40 per cent on the average; for certain kinds of silk pillowcases, by 40 per cent on the average. The total amount of reduction in retail prices for the year amounts to 1.4 billion rubles. Text Moscow SOVETSKAYA TORGOVLYA in Russian 19 Apr 83 p 27 9006

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